Aztec Municipal School District No. 2

Finance Plan Update

July 9th, 2026

STRICTLY PRIVATE AND CONFIDENTIAL

History of Assessed Valuation

Actual AV

Tax Year	Residential	% Growth	Centrally Assessed	% Growth	Non-Residential	% Growth	Oil & Gas	% Growth	Total Valuation	% Growth
2021	$288,753,254	3%	$61,497,009	-7%	$75,142,609	-3%	$126,225,851	-19%	$551,618,723	-5%
2022	301,084,509	4%	54,154,428	-12%	78,352,723	4%	233,906,607	85%	667,498,267	21%
2023	318,004,485	6%	58,908,739	9%	83,377,152	6%	458,707,492	96%	918,997,868	38%
2024	333,421,731	5%	62,739,725	7%	87,809,688	5%	300,032,168	-35%	784,003,312	-15%
2025	347,271,540	4%	63,632,756	1%	91,771,080	-58%	159,795,134	-47%	662,470,510	-16%

AV for Finance Plan

Tax Year	Residential	% of Actual Valuation	Centrally Assessed	% of Actual Valuation	Non-Residential	% of Actual Valuation	Oil & Gas	% of Actual Valuation	Total Valuation	% of Actual Valuation
2022**	$292,051,974	97%	$52,529,795	97%	$76,002,141	97%	$86,545,445	37%	$507,129,355	76%
2023**	318,004,485	100%	53,017,865	90%	80,875,837	97%	183,482,997	40%	635,381,184	69%
2024**	333,421,731	100%	62,739,725	100%	87,809,688	100%	150,016,084	50%	633,987,228	81%
2025**	347,271,540	100%	63,632,756	100%	91,771,080	100%	79,897,567	50%	490,801,863	74%

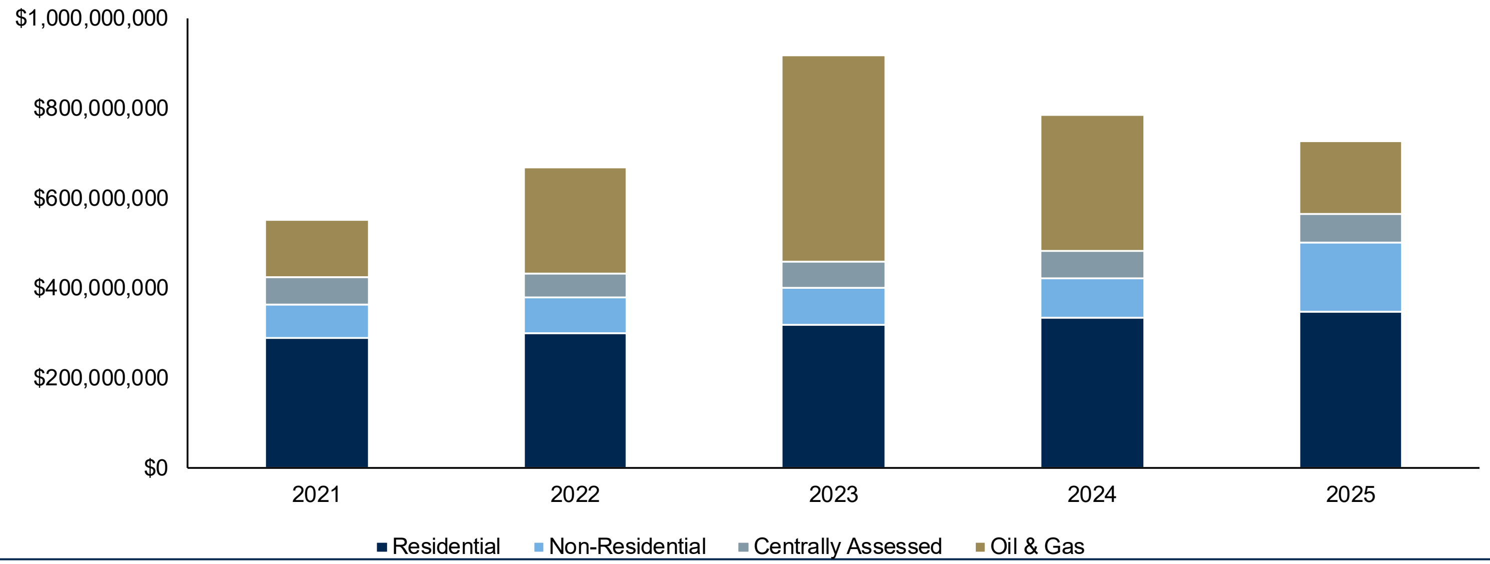
***AV used to set tax rate and manage the finance plan*

Actual AV Growth

5 Year Average Annual Growth	2.72%
10 Year Average Annual Growth	-2.03%

Oil and gas values for tax year 2026 is $202,328,153 which is a 26.62% increase from tax year 2025.

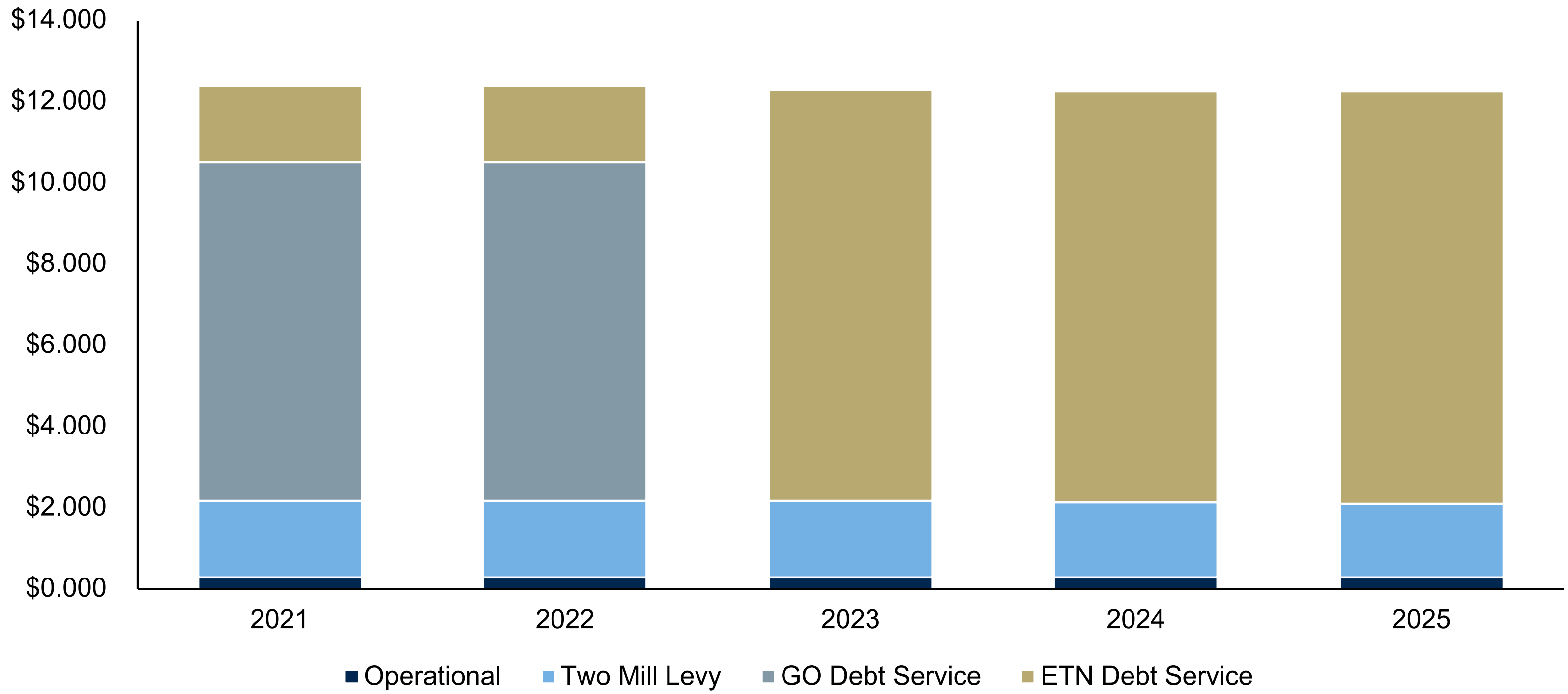
Source: NewMexico Department of Finance & Administration and San Juan County Assessor.



History of Tax Rates

Tax Year	Operational Resid.	Operational Non-Resid.	Two Mill Levy Resid.	Two Mill Levy Non-Resid.	GO Debt Service	ETN Debt Service	Total Debt Service	Total Resid.	Total Non-Resid.
2021	$0.274	$0.500	$1.886	$1.886	$8.325	$1.893	$10.218	$12.378	$12.604
2022	0.277	0.500	1.886	1.886	8.326	1.892	10.218	12.381	12.604
2023	0.280	0.500	1.886	1.886	0.000	10.128	10.128	12.294	12.514
2024	0.274	0.496	1.847	1.873	0.000	10.128	10.128	12.249	12.497
2025	0.271	0.500	1.828	1.886	0.000	10.128	10.128	12.227	12.514

Source: NewMexico Department of Finance & Administration.



Debt Management Plan

- The District has no GO Bonds outstanding
  - Successful bond election in 2012 for $11,000,000
    - $11,000,000 sold in 2015
  - The next time the District can go out for a regular election is November 2027.
    - Election amount to be determined based on needs and tax rate target.
- Election Timing
  - Two Mill Levy election every six years, most recently in March 2024. Next election scheduled for November 2029.
- Tax Rates
  - Maintain the combined debt service tax rate at its current level of $10.128.
    - Debt service tax rate can be a combination of GO and ETN
  - Continue to levy a full ETN tax rate until voters approve the issuance of GO Bonds

Bonding Capacity	
2025 Assessed Valuation	$662,470,510
6% of Assessed Valuation	39,748,231
Less Outstanding Debt	0
Remaining Capacity	39,748,231
% Bonded to Capacity	**0%**

Overnight STO Issuance Timeline

August 2025
- ETN Tax Rate of $10.128 set with PED

November 2025-July 2026
- Tax collections accumulate in the ETN Debt Service Fund (43000)

July 2026
- Amount issued depends on the amount of collections
- ETNs are issued as one day loan through State Treasurer's Office and paid off the 1-2 days after closing

September 2026
- GO and ETN Proceeds available to spend on capital and technology needs

Next Year
- ETN Tax Rate of $10.128 set with PED again

Source: RBC Capital Markets

Series 2026 ETN Time Schedule

Date	Activity	Responsibility
Thursday, July 09, 2026	Board adopts Resolution to determine necessity to issue ETNs and notice of a public hearing	SD, BC, RBC
Wednesday, July 22, 2026	1st publication of Notice of Special Meeting for ETNs	BC
Wednesday, July 29, 2026	2nd publication of Notice of Special Meeting for ETNs	BC
Thursday, July 30, 2026	Interest rate set with NMSTO	RBC, STO
Thursday, August 06, 2026	Special Board meeting to adopt final ETN Resolution at 5:30 PM	SD, RBC, BC
Wednesday, August 12, 2026	Publish Notice of Adoption of Resolution	BC
Saturday, September 12, 2026	30 day limitation of action period expires	SD, RBC, BC, STO
Tuesday, September 22, 2026	Closing of ETNs	SD, RBC, BC, STO
Wednesday, September 23, 2026	Payoff of ETNs	SD, RBC, BC, STO

Working Group Key

Code	Participant	Role
SD	School District	Issuer
MA	RBC Capital Markets, LLC	Municipal Advisor
BC	Modrall	Bond Counsel
STO	State Treasurer's Office	Purchaser

Constitutional Amendment Update

Constitutional Amendment Update

- Constitutional Amendment 1 widened the property exemption for disabled veterans from 100% disabled veterans to all disabled veterans
  - Allows any disabled veteran to be exempt from their property taxes at the rate they are disabled.
  - Example: A 50% disabled veteran can now qualify to be exempt from 50% of their property taxes.

- Constitutional Amendment 2 increased the property tax exemptions for all veterans (who don't qualify for the disabled veteran exemption) from $4,000 to $10,000.

- Difficult to determine the extent of the impact of these constitutional amendments on the District's net taxable values at this time.
  - The State Legislature signed House Bill 47 into law at the 2025 legislative session.

- Should these new veteran exemptions materially decrease the District's net taxable value, it could potentially impact tax rates and future election amounts.
  - Most recent data shows the District has 562 veterans 107 disabled veterans within the District's boundaries.
    - For the tax year 2025 the total veteran exemption was $5,406,573 and disabled veteran exemption was $6,589,798.

Note: Estimated and Subject to Change. Based upon the factor of disabled veterans for San Juan County as provided by Veteran Affairs compared to 100% disable veteran exemptions for tax year 2025. There can be no assurances that the % of disabled veterans in the county is representative of the disabled veterans within the District's boundaries. Standard veteran exemption is increased by a factor of 2.5x which is the factor of the standard veteran exemption increase from $4,000 to $10,000.

Potential Constitutional Amendment Impact on Assessed Value – TY2024 Values

itutional Amendments

Full Value	Head of Houshold	Veteran	Disabled Veteran	Other	Veteran Org
$111,867,349	$1,523,431	**$739,101**	**$1,468,870**	$108,784	
87,597,760	-	**-**	**-**	47,342,776	$123
234,010,602	3,283,866	**1,443,476**	**4,317,070**	-	
50,571,840	-	**20,398**	**-**	4,574,182	
436,378	4,000	**4,000**	**-**	-	
1,700,715	-	-	-	-	
$ 486,184,644	$ 4,811,297	**$ 2,206,975**	**$ 5,785,940**	$ 52,025,742	$ 123
$ 62,739,725					

tional Amendments

Full Value	Head of Houshold	Veteran	Disabled Veteran	Other	Veteran O
$111,867,349	$1,523,431	**$1,847,753**	**$4,750,876**	$108,784	
87,597,760	-	**-**	**-**	47,342,776	$123,
234,010,602	3,283,866	**3,608,690**	**13,963,023**	-	
50,571,840	-	**50,995**	**-**	4,574,182	
436,378	4,000	**10,000**	**-**	-	
1,700,715	-	-	-	-	
$ 486,184,644	$ 4,811,297	**$ 5,517,438**	**$ 18,713,900**	$ 52,025,742	$ 123,
$ 62,739,725					
$ 300,032,168					
$ 848,956,537					

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2025. There can be no assurances that the % of disabled veterans in the county is representative of the disabled veterans within the District's boundaries. Standard veteran exemption is increased by a factor of 2.5x which is the factor of the standard veteran exemption increase from $4,000 to $10,000.

Differenc

Updated Potential Constitutional Amendment Impact on Assessed Value – TY2025 Values

itutional Amendments

Full Value	Head of Houshold	Veteran	Disabled Veteran	Other	Veteran Org
$117,493,399	$1,518,941	**$1,757,820**	**$1,786,026**	$111,808	
90,825,118	-	**2,039**	**-**	49,270,700	$120
246,161,083	3,284,151	**3,550,923**	**4,803,772**	-	
53,373,748	-	**85,791**	**-**	4,756,428	
444,499	4,000	**10,000**	**-**	-	
1,808,156	-	-	-	-	
$ 510,106,003	$ 4,807,092	**$ 5,406,573**	**$ 6,589,798**	$ 54,138,936	$ 120
$ 63,632,756					

tional Amendments

Full Value	Head of Houshold	Veteran	Disabled Veteran	Other	Veteran O
$117,493,399	$1,518,941	**$1,757,820**	**$5,776,678**	$111,808	
90,825,118	-	**2,039**	**-**	49,270,700	$120,
246,161,083	3,284,151	**3,550,923**	**15,537,200**	-	
53,373,748	-	**85,791**	**-**	4,756,428	
444,499	4,000	**10,000**	**-**	-	
1,808,156	-	**-**	-	-	
$ 510,106,003	$ 4,807,092	**$ 5,406,573**	**$ 21,313,878**	$ 54,138,936	$ 120,
$ 63,632,756					
$ 159,795,134					
$ 733,533,893					

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2025. There can be no assurances that the % of disabled veterans in the county is representative of the disabled veterans within the District's boundaries. Standard veteran exemption is increased by a factor of 2.5x which is the factor of the standard veteran exemption increase from $4,000 to $10,000.

Differenc

Market Update

Capital Markets

Economic Commentary

- US equities posted mixed results last week, with the DJIA gaining 0.6% while the S&P500 and Nasdaq declined 2.0% and 4.6%, respectively
  - Stock market volatility has been fueled by uncertainty over tech/AI valuations as well as geopolitical tensions
- The US and Iran agreed to halt attacks as officials meet to resume peace talks
  - Tensions escalated in recent days despite a ceasefire agreement
- First-quarter GDP grew at an annualized rate of 2.1%, revised up from earlier readings of 1.6%.
  - The GDP price index ticked up from an annualized 3.5% to 3.6% in Q1, while the core index was unchanged at 4.4%
- This week brings consumer confidence, JOLTS, ISM manufacturing, jobless claims, and the June employment report
  - Bloomberg forecasts call for non-farm payroll gains of 113k alongside an unchanged unemployment rate of 4.3% for June
- US IG issuance is expected to total $10-15bn this week, adding to a record June that has seen over $180bn of new-issue volume

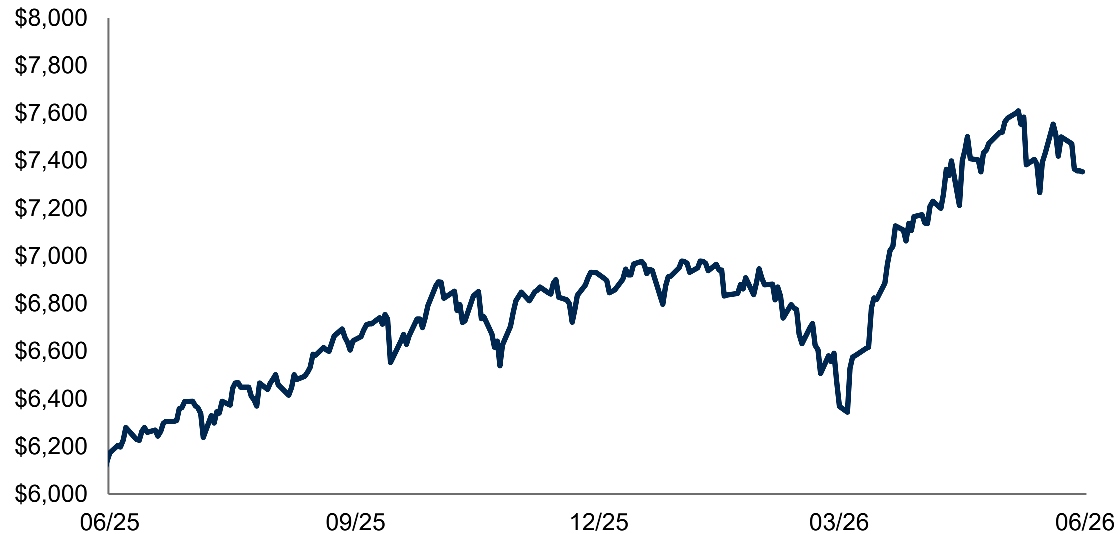
Bloomberg

Dip Buyers Lift US Stocks Despite Rise in Oil: Markets Wrap

(Bloomberg: June 29, 2026)

- S&P 500 futures gained 0.9% with traders buying the dip after a rotation out of this year’s top-performing stocks
- Oil rose after a weekend of tensions in the Middle East, with Brent climbing 0.9% to $72.67 a barrel
- Traders will shift their focus this week to the annual gathering of central bankers in Portugal and the monthly US jobs report on Thursday

Stock Market Performance (S&P 500)

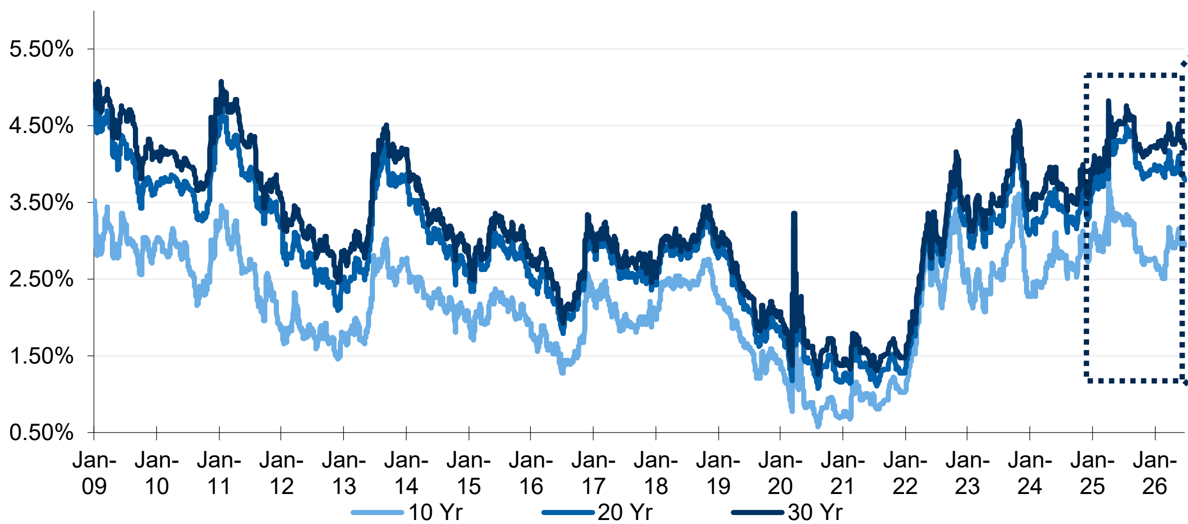


Sources: Bloomberg; Refinitiv; RBC Capital Markets as of COB June 26, 2026

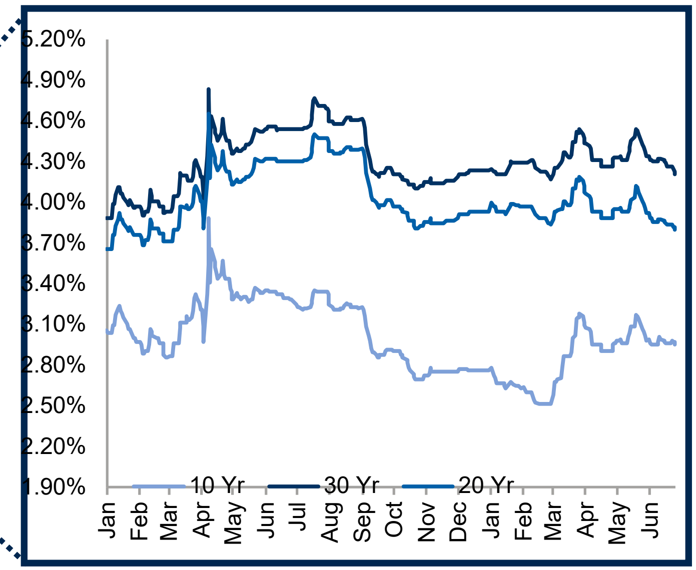
Current Municipal Market Conditions: “AAA” MMD

After closing at 4.27% the previous week, 30-year “AAA” MMD has decreased by six basis points to 4.21%.

“AAA” MMD January 1, 2009 to Present



Shift in “AAA” MMD Since January 2025



January 1, 2009 to Present

	10 Year	20 Year	30 Year
Maximum	3.89%	4.89%	5.08%
Minimum	0.58%	1.08%	1.27%
Current	2.95%	3.80%	4.21%

Shift in 30-year "AAA" MMD

2019	2020	2021	2022	2023	2024	2025
-0.90%	-0.68%	0.09%	2.08%	-0.15%	0.47%	0.35%

May 1, 2022 to Present

	10 Year	20 Year	30 Year
Maximum	3.89%	4.66%	4.84%
Minimum	2.08%	2.38%	2.51%
Average	2.81%	3.58%	3.83%

Source: Refinitiv
10, 20, and 30 year “AAA” MMD shown to represent different average lives of municipal transactions
Rates as of June 26, 2026.

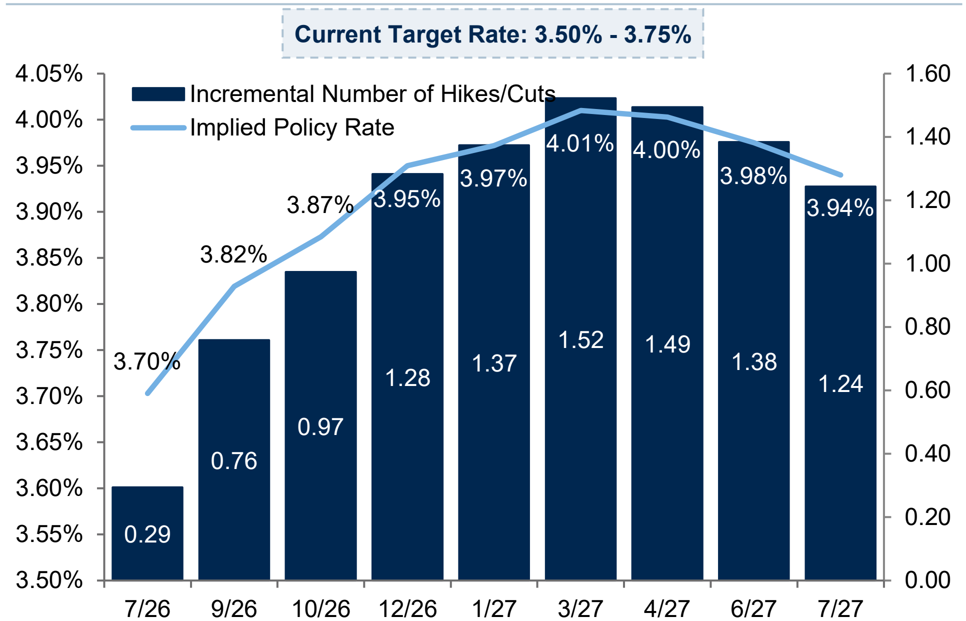
Economic Overview Reflects Monetary Policy Focus, Tariff Implications and Geopolitical Tensions

The Federal Reserve concluded its third meeting of the year by holding the federal funds rate steady in the 3.50%-3.75% range

Municipal Market Commentary

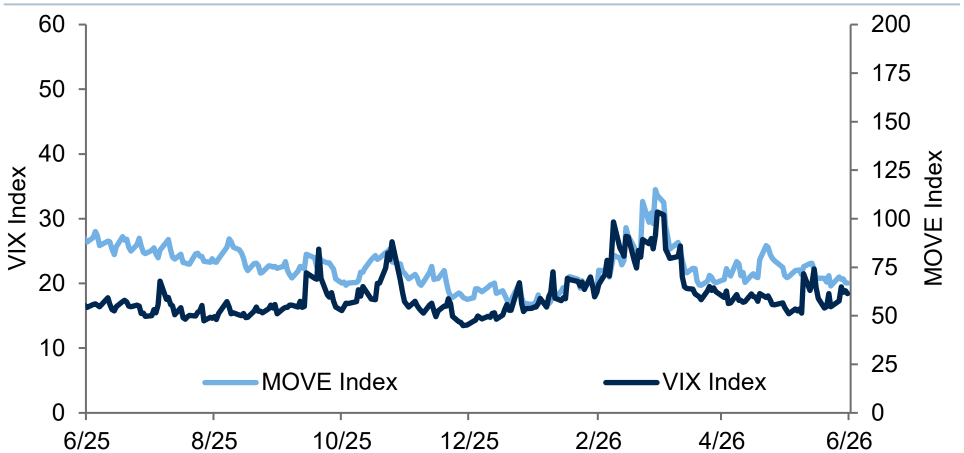
- Municipal supply totaled $13.4bn last week, and pricing results were inconsistent due to stretched ratios and depletion of June cash
- This week's issuance is expected to total a modest $4.1bn heading into the July Fourth holiday
- Year-to-date issuance should end the week around $296bn, up 6% on a year-over-year basis
- July reinvestment cash is expected to total $49.5bn, with $42.1bn hitting in the first half of the month
- Municipal bond funds reported net inflows of $633mm last week, following $1.19bn the previous week
- The SIMFA index rose from 2.59% to 2.67% last week
  - Tax-exempt Money Market funds reported modest inflows of $49mm

Futures Market – Fed Funds Rate Hike/Cut Probability



Note: 25bps equates to one hike or cut

Treasury and Equity Volatility are Elevated



Economic Indicators

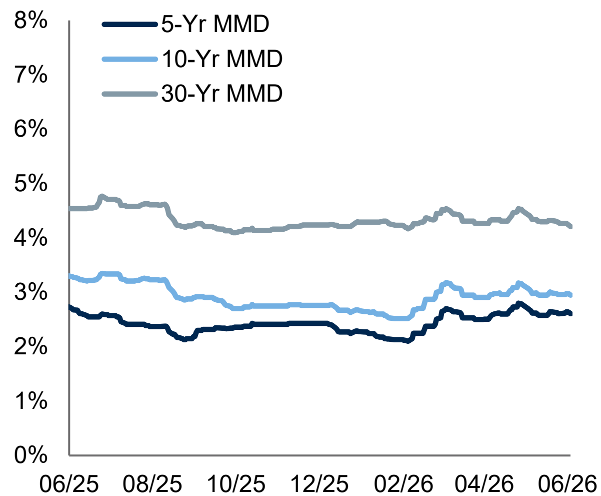
Indicator	Actual	Forecast	Prior
Inflation			
CPI YoY (May)	4.20%	4.20%	3.80%
PCE YoY (April)	3.80%	3.80%	3.50%
PPI YoY (May)	6.50%	6.40%	5.70%
Labor			
Unemployment Rate (May)	4.30%	4.30%	4.30%
Nonfarm Payrolls (May)	172K	85K	179K
Initial Jobless Claims (wkly.)	229K	220K	225K
Production			
GDP QoQ (Q1)	1.60%	2.00%	0.50%

Sources: Bloomberg; Refinitiv; RBC Capital Markets as of COB June 26, 2026

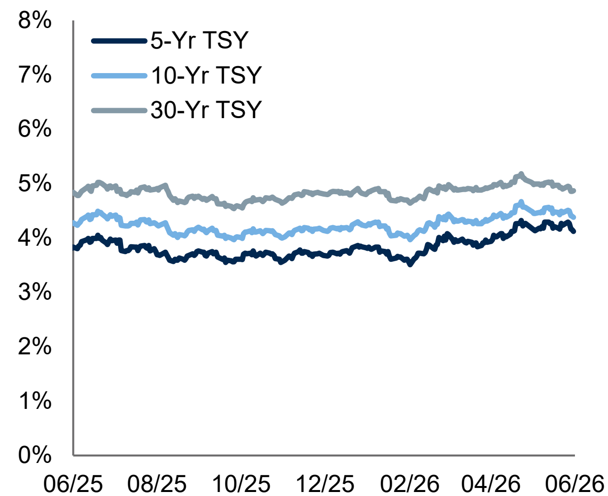
Tax-Exempt and Taxable Rate Environment

MMD/UST ratios have tightened in recent months, particularly inside 10 years

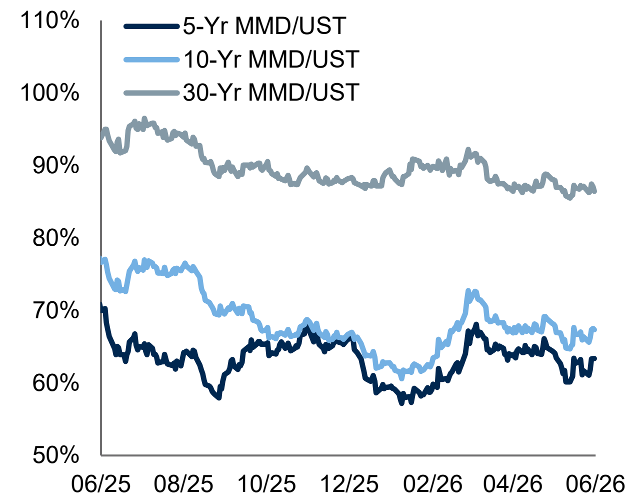
5, 10, and 30-Year MMD Yields



5, 10, and 30-Year UST Yields



5, 10, and 30-Year MMD/UST Ratios

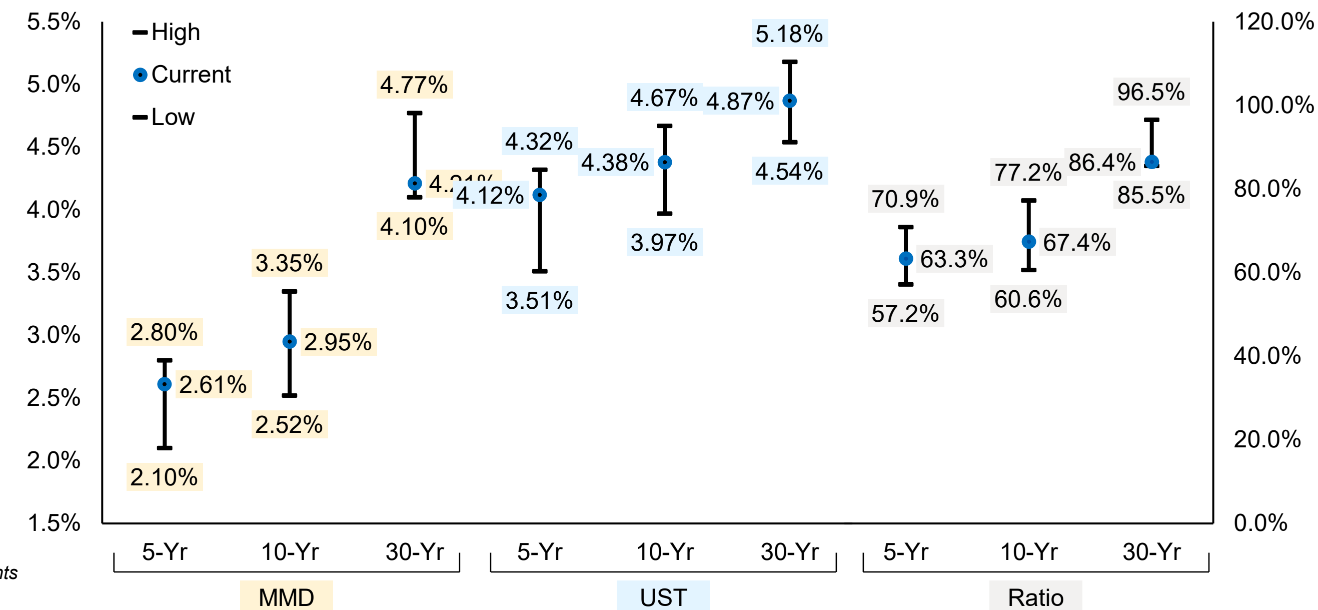


Historical Movement – Change in bps

	Current	WoW Change	YTD Change	LTM High Change
MMD				
5-Yr	2.61%	0	21	-19
10-Yr	2.95%	-1	17	-40
30-Yr	4.21%	-6	-4	-56
UST				
5-Yr	4.12%	-11	38	-20
10-Yr	4.38%	-8	19	-29
30-Yr	4.87%	-3	1	-31
Ratios				
5-Yr	63.3%	1.6%	-0.8%	-7.5%
10-Yr	67.4%	1.0%	1.0%	-9.9%
30-Yr	86.4%	-0.7%	-1.0%	-10.1%

Note: Rate changes are shown in bps and ratio changes are shown in percents

12-Month Lookback | MMD, UST and Ratio Ranges Across the Curve



Sources: Bloomberg; Thomson Financial Municipal Market Monitor (TM3); RBC Capital Markets as of COB June 26, 2026

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Sources include: http://www.rbc.com/economics/, RBC Capital Markets.

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